



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
SCOTT COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2000**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
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## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE SCOTT COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2000**

The Auditor of Public Accounts has completed the Scott County Fiscal Court audit for fiscal year ended June 30, 2000. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

#### **Financial Condition:**

Fund balances decreased by \$585,239 from the prior fiscal year as of June 30, 2000. Revenues increased by \$2,039,036 from the prior year and disbursements decreased by \$4,225,410.

#### **Debt Obligations:**

Total bonded debt principal as of June 30, 2000, was \$3,315,000. Future collections of \$4,283,585 are needed over the next ten years to pay all bonded debt principal and interest.

#### **Deposits:**

The fiscal court's deposits at June 30, 2000 were underinsured and undercollateralized by \$96,954.



CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT .....	1
SCOTT COUNTY OFFICIALS .....	3
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS .....	6
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES .....	10
NOTES TO FINANCIAL STATEMENTS .....	12
SUPPORTING SCHEDULES:	
COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE.....	21
SCHEDULE OF OPERATING REVENUE .....	25
COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES .....	29
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	
APPENDIX A:	
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM	





EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable George H. Lusby, Scott County Judge/Executive  
Members of the Scott County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Scott County, Kentucky, as of June 30, 2000, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Scott County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Scott County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years. The modified cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Scott County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 2000, in conformity with the modified cash basis of accounting described above.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
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In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2001 on our consideration of Scott County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Scott County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
February 16, 2001



SCOTT COUNTY OFFICIALS

Fiscal Year Ended June 30, 2000

**Fiscal Court Members:**

George H. Lusby	County Judge/Executive
Anna Isaacs	Magistrate
Gary Perry	Magistrate
Jim McClanahan	Magistrate
Bobby Rankin	Magistrate
John T. Hoffman	Magistrate
Tom Prather	Magistrate
Jack Wise	Magistrate

**Other Elected Officials:**

Clay McKnight	County Attorney
Larry Covington	Jailer
Donna Perry	County Clerk
Martha Mitchell	Circuit Court Clerk
Bobby Hammons	Sheriff
Jane Rankin	Property Valuation Administrator
Stanley Hughes	Coroner

**Appointed Personnel:**

Peggy Atkins	County Treasurer
Jane Lucas	Occupational Tax Collector
Nyoma Stakelin	Payroll Officer

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STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

SCOTT COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 2000

Assets and Other Resources

Assets

General Fund Type

General Fund:

Cash \$ 12,763,203

Road and Bridge Fund:

Cash 42,697

Jail Fund:

Cash 139,831

Local Government Economic Assistance Fund:

Cash 32,866

McCracken Fund:

Cash 78,209

John Graves Ford Memorial Hospital Fund:

Cash 412,274

Community Development Block Grant Revolving Fund:

Cash 17,498

Notes Receivable (Note 4) 10,607

Payroll Revolving Account - Cash 4,352 \$ 13,501,537

Debt Service Fund Type

Public Properties Corporation Fund:

Cash 11,651

Other Resources

Public Properties Corporation Fund:

Amounts to be Provided in Future Years for Bond Principal Payments 3,303,349

Total Assets and Other Resources \$ 16,816,537

The accompanying notes are an integral part of the financial statements.

SCOTT COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 2000  
 (Continued)

Liabilities and Fund Balances

Liabilities

Payroll Revolving Account - Cash	\$	4,352
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Debt Service Fund Types

Public Properties Corporation Fund:

Bonds Not Matured	\$ 3,315,000	
Deferred Revenue (Note 5)	<u>10,607</u>	3,325,607

Fund Balances

Reserved:

General Fund Type

McCracken Trust Fund	\$ 78,209	
John Graves Ford Memorial Hospital Fund	<u>412,274</u>	490,483

Debt Service Fund Type

Community Development Block Grant Revolving Fund		17,498
--	--	--------

Unreserved:

General Fund Type

General Fund	\$ 12,763,203	
Road and Bridge Fund	42,697	
Jail Fund	139,831	
Local Government Economic Assistance Fund	<u>32,866</u>	<u>12,978,597</u>

Total Liabilities and Fund Balances		<u><u>\$ 16,816,537</u></u>
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The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

SCOTT COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 2000

	General Fund Types			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 18,888,535	\$ 17,037,308	\$ 825,749	\$ 753,956
Other Financing Sources:				
Transfers In	7,079,654	682	1,980,000	1,320,000
Total Cash Receipts	<u>\$ 25,968,189</u>	<u>\$ 17,037,990</u>	<u>\$ 2,805,749</u>	<u>\$ 2,073,956</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 15,695,376	\$ 11,054,793	\$ 2,782,510	\$ 1,715,905
Other Financing Sources:				
Transfers Out	7,079,654	3,515,897		234,960
Bonds:				
Principal Paid	265,000			
Interest Paid	398,222			
Bonds Called	3,115,750			
Total Cash Disbursements	<u>\$ 26,554,002</u>	<u>\$ 14,570,690</u>	<u>\$ 2,782,510</u>	<u>\$ 1,950,865</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (585,813)	\$ 2,467,300	\$ 23,239	\$ 123,091
Cash Balance - July 1, 1999	14,084,042	10,295,903	19,458	16,740
Cash Balance - June 30, 2000	<u>\$ 13,498,229</u>	<u>\$ 12,763,203</u>	<u>\$ 42,697</u>	<u>\$ 139,831</u>

\* Corrected prior balance of \$92 is due to voided prior year outstanding liability of \$574.

The accompanying notes are an integral part of the financial statements.



SCOTT COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 2000  
 (Continued)

General Fund Types				Debt Service Fund Types	
Local Government Economic Assistance Fund	McCracken Trust Fund	John Graves Ford Memorial Hospital Fund	Community Development Block Grant Revolving Fund	Municipal Properties Corporation Courthouse Bond Fund	Public Properties Corporation Fund
\$ 79,817	\$ 3,764	\$ 21,474	\$ 12,239	\$ 16	\$ 154,212
					3,778,972
\$ 79,817	\$ 3,764	\$ 21,474	\$ 12,239	\$ 16	\$ 3,933,184
\$ 105,778	\$ 2,272	\$ 25,432	\$ 8,686	\$	\$
				682	3,328,115
					265,000
					398,222
					3,115,750
\$ 105,778	\$ 2,272	\$ 25,432	\$ 8,686	\$ 682	\$ 7,107,087
\$ (25,961)	\$ 1,492	\$ (3,958)	\$ 3,553	\$ (666)	\$ (3,173,903)
58,827	76,717	416,232	13,945	* 666	3,185,554
\$ 32,866	\$ 78,209	\$ 412,274	\$ 17,498	\$ 0	\$ 11,651

The accompanying notes are an integral part of the financial statements.

SCOTT COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 2000

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Scott County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Municipal Properties Corporation Courthouse Bond Fund and the Public Properties Corporation Fund as part of the reporting entity.

Additional - Scott County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Scott County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Scott County Fiscal Court's Fund Types, a definition of each, and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Scott County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund (LGEA), McCracken Trust Fund, John Graves Ford Memorial Hospital Fund, and the Community Development Block Grant Revolving Fund.

SCOTT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Debt Service Fund Type

Debt Service Fund Type accounts for the accumulation of resources for the payment of general long-term debt principal and interest and include funds for Municipal Properties Corporation Courthouse Bond Fund, and the Public Properties Corporation Fund. Debt service is provided through annual transfers from the General Fund Type in the amount of the debt service requirements for the year.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years.

D. Legal Compliance - Budget

The Scott County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Formal budgets are not adopted for the Municipal Properties Corporation Courthouse Bond Fund and the Public Properties Corporation Fund because bond indentures and other relevant contractual provisions require specific payments to and from these funds annually and transfers are budgeted in the General Fund Type and the Debt Service Fund Type to comply with these requirements. The Department for Local Government does not require these funds to be budgeted.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

SCOTT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Scott County Fiscal Court: Tourism Commission, Conservation, Library, Senior Citizens and the Title IV-D Child Support.

G. Joint Ventures

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based on these criteria, the following are joint ventures of Scott County Fiscal Court: Parks and Recreation, Ambulance Service, Planning and Zoning, Disaster and Emergency Service Board.

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.28 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 17.55 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

SCOTT COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2000  
 (Continued)

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. As of August 31, 1999, the bank balances were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond. However, as of June 30, 2000, the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$96,954 of public funds uninsured and unsecured.

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of June 30, 2000.

	Bank Balance
Insured or collateralized with securities held by the county's agent in the county's name	\$ 12,544,425
Uncollateralized and uninsured	96,954
Total	\$ 12,641,379

Note 4. Receivable

During project year 1984, CDBG No. B-84-DC-21-(003) in the amount of \$125,000, was awarded to Scott County and C and D Products Company for a new facility. C and D Products Company is obligated to repay Scott County CDBG Revolving Fund \$125,000, at 5 percent interest over 180 months. The C and D Products Company makes monthly payments of \$988 and is in substantial compliance with the terms of the agreement.

The total note receivable of the Community Development Block Revolving Fund at June 30, 2000, is \$10,607.

SCOTT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 5. Long-Term Debt

Bonds outstanding of the Public Properties Fund are:

- A. In January 1990, Scott County Public Properties Corporation Fund issued \$4,950,000 of lease revenue bonds, series 1990. The proceeds were used to pay for construction of the Scott County Jail and Justice Complex. In September 1997, the bonds were refinanced by bond series 1997, which refunded an outstanding principal balance of \$3,035,000 for the 1990 series bonds, which were scheduled to mature on and after January 1, 2002 to 2010.

As of June 30, 2000, the outstanding principal balance is \$235,000, which is payable on January 1, 2001. Subsequent to this payment the bond series will be completely refunded with a zero outstanding principal balance.

- B. In September 1997, Scott County Public Properties Corporation Fund issued \$3,415,000 of lease revenue refunding bonds, series 1997. The bonds were issued for advance refunding of the outstanding 1990 bonds maturing on and after January 1, 2002 to 2010.

Interest is payable semi-annually on January 1 and July 1 of each year, and principal is due on January 1 of each year, in the amounts stated below.

<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2000-2001	\$ 153,825	\$ 45,000
2001-2002	151,890	295,000
2002-2003	138,910	315,000
2003-2004	124,735	330,000
2005-2005	109,555	345,000
2005-2006	93,513	360,000
2006-2007	76,593	380,000
2007-2008	58,733	395,000
2008-2009	40,168	415,000
2009-2010	20,663	435,000
Totals	<u>\$ 968,585</u>	<u>\$ 3,315,000</u>

Note 6. Insurance

For the fiscal year ended June 30, 2000, Scott County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

SCOTT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 7. Jail Canteen Fund

The canteen operations are authorized pursuant to KRS 441.135(1)(2), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 68.210 requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen. Technical Audit Bulletins 93-002 and 97-001 provide additional accounting and expenditure guidance for acceptable jail canteen operations.

During the fiscal year ending June 30, 2000 the Scott County Jail Canteen Fund received \$67,608 and expended \$59,495. The Jail Canteen reported June 30 ending balances of \$2,608 and of \$8,659 for 1999 and 2000 respectively.

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COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE



SCOTT COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 2000

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 12,245,337	\$ 17,037,308	\$ 4,791,971
Road and Bridge Fund	726,200	825,749	99,549
Jail Fund	487,000	753,956	266,956
Local Government Economic Assistance Fund	102,000	79,817	(22,183)
McCracken Trust Fund	3,000	3,764	764
John Graves Ford Memorial Hospital Fund	16,500	21,474	4,974
Community Development Block Grant Revolving Fund	14,700	12,239	(2,461)
Totals	<u>\$ 13,594,737</u>	<u>\$ 18,734,307</u>	<u>\$ 5,139,570</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 13,594,737
Add: Budgeted Prior Year Surplus	6,597,000
Less: Other Financing Uses	<u>(451,193)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 19,740,544</u>

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SCHEDULE OF OPERATING REVENUE



SCOTT COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 2000

	<u>GOVERNMENTAL FUND TYPES</u>		
	Totals (Memorandum Only)	General Fund Type	Debt Service Fund Type
REVENUE:			
Taxes	\$ 13,967,923	\$ 13,967,923	\$
Excess Fees	1,232,275	1,232,275	
License and Permits	221,324	221,324	
Intergovernmental Revenues	2,060,467	2,060,467	
Charges for Services	57,585	57,585	
Miscellaneous Revenues	689,116	689,116	
Interest Earned	659,845	505,617	154,228
Total Operating Revenue	<u>\$ 18,888,535</u>	<u>\$ 18,734,307</u>	<u>\$ 154,228</u>

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COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES



SCOTT COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 2000

Expenditure Categories	GENERAL FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 5,985,105	\$ 5,037,959	\$ 947,146
Protection to Persons and Property	3,305,388	3,034,998	270,390
General Health and Sanitation	533,938	447,307	86,631
Social Services	428,978	325,230	103,748
Recreation and Culture	1,659,173	988,438	670,735
Roads	2,574,555	2,222,419	352,136
Capital Projects	1,835,000	1,765,524	69,476
Administration	3,418,407	1,873,501	1,544,906
Total Operating Budget - All General Fund Types	\$ 19,740,544	\$ 15,695,376	\$ 4,045,168
Other Financing Uses:			
Transfers to Public Property			
Corporation Bond Fund-			
Principal	265,000	265,000	
Interest	186,193	185,857	336
TOTAL BUDGET - ALL GENERAL FUND TYPES	<u>\$ 20,191,737</u>	<u>\$ 16,146,233</u>	<u>\$ 4,045,504</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable George H. Lusby, Scott County Judge/Executive  
Members of the Scott County Fiscal Court

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Scott County, Kentucky, as of and for the year ended June 30, 2000, and have issued our report thereon dated February 16, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Scott County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Scott County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be,  
and should not be, used by anyone other than the specified party

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
February 16, 2001



CERTIFICATION OF COMPLIANCE -  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

SCOTT COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2000

Appendix A



CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC PROGRAM  
SEOTT COUNTY FISCAL COURT

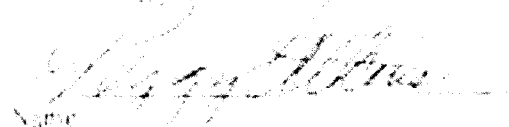
Fiscal Year Ended June 30, 2020

The Seott County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name

County Judge/Executive



Name

County Treasurer